

1st APRIL 2017 - 30th JUNE 2017



FUND OBJECTIVES

- » A target distribution yield of 6-7% pa.
- » Tax efficient investment for charity investors.
- » A clear investment strategy for a diverse real estate portfolio in the primary sectors of industrial, retail and offices.
- » Focused on multi-let opportunities which provide a diverse and sustainable income stream.
- » Delivering a target IRR of 7-9% over a rolling five year period through maintaining and increasing rental income and targeting capital value increases at least in line with inflation.
- » Utilise the experienced and proven management team's skill set to actively manage the portfolio and drive returns.

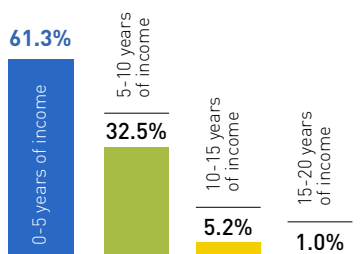
FUND REVIEW

- » The Fund distribution for this quarter is 1.75800p per unit, equivalent to 6.32% annualised.
- » The Fund return since inception is 11.42% annualised.
- » DPFC launched in February 2015 with a portfolio value of c.£18m. All the initial and subsequent investors subscriptions have been invested with DPFC now having £50.9m of assets under management. Six new investors are set to join the investor base. DPFC has a modest working capital facility which allows efficient timing of investment in assets from investor commitments.
- » The vacancy rate in the portfolio stands at 2.28% which remains low compared to industry benchmarks. There are 79 units in the portfolio providing a diverse tenant base and income resilience. There are three vacant units in the portfolio and discussions are advanced with interested parties on all units.
- » We continue to seek principally multi-let, well located properties to add to the DPFC portfolio as this sub-sector of the property market is often under-valued by investors and assets are receptive to our asset management approach. Through selective purchases the DPFC portfolio continues to deliver attractive sustainable returns and real capital appreciation.
- » During this quarter we have seen a number of significant events including the calling of a snap election and Article 50 being

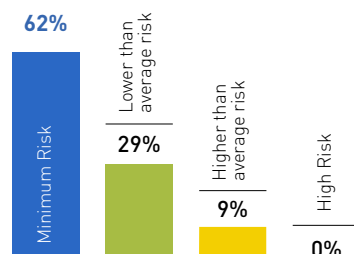
exercised initiating the United Kingdom's exit from the European Union. This is hot on the heels of the Brexit referendum and the US General Election. Investors have remained relatively resilient to ongoing uncertainties.

- » The real estate investment market has seen overseas investors and local authorities actively acquiring properties at strong prices which has restricted the supply of assets available. Good quality assets with long income streams are popular and prices are competitive. DPFC targets investments in the £2m-£12m bracket which is too large for many private investors and a little small for the institutions which leads to purchasing opportunities at more attractive yields.
- » Performance in the portfolio this quarter has been driven by asset management activity at Ipswich and Swindon and improving yields in Swindon, Milton Keynes and Penrith as we see the asset plans for these properties being delivered. Rental growth is being achieved at lease events which is especially pleasing and reinforcing the investment rationale for the multi-let properties in the portfolio.
- » The resilience of the portfolio's income streams and the active steps to drive them forward support the attractive distribution yield of 6.32%. The 79 tenancies in the portfolio provide a diverse occupier base to sustain this.

LEASE EXPIRY PROFILE (EXCL BREAK OPTIONS)



TENANT COVENANTS BY D&B RISK RATING



KEY FUND DATA

Portfolio value	£50.9m
Net asset value	£50.6m
Number of assets	9
NAV per unit - FRS102 basis	112.90 p.p.u.
NAV per unit - INREV basis	113.79 p.p.u.
Vacancy rate	2.3%
Weighted average lease length to expiry	4.83 years
Weighted average lease length to first break	3.46 years
May 2017 distribution paid	1.7084 p.p.u.
Distribution for last 12 months	6.7924 p.p.u.
Year end	30-Sep
Total expense ratio (TER) ¹	1.00%
SEDOL number	BXQ9SB8
ISIN number	GB00BXQ9SB85

1. TER is calculated as total fund expenses divided by NAV. TER on a stabilised basis assuming £200m fund size, is 0.65%.

HISTORIC TOTAL RETURNS

Period	%
3 months	2.7%
6 months	6.1%
12 months	11.0%
Since inception Feb 2015 ¹	11.4%

1. Annualised

MAJOR TENANTS

Ten largest tenants by income

DSG Retail Ltd	Minimum Risk	13%
Go Outdoors Ltd	Minimum Risk	6%
Halfords Ltd	Minimum Risk	4%
Graham Tiso Ltd	Lower than average risk	4%
Hardware Services Ltd	Lower than average risk	3%
Valutech Ltd	Lower than average risk	3%
Ionic Systems Ltd	Lower than average risk	3%
Gareth John Training Limited	Minimum Risk	2%
Archive Document Data Storage	Lower than average risk	2%
Johnan UK Ltd	Minimum Risk	2%
TOTAL		42%

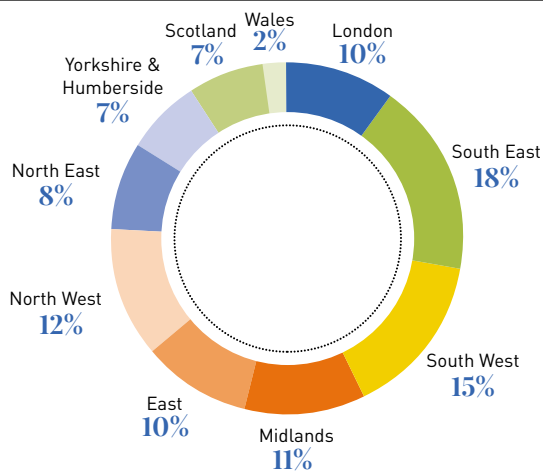
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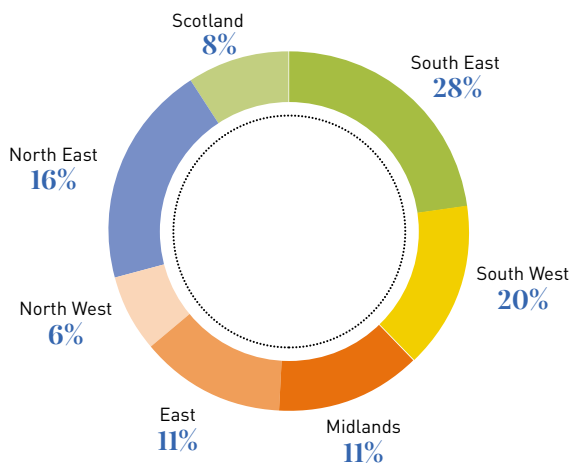
PORTFOLIO ANALYSIS BY LOCATION



TARGET



CURRENT



GLOSSARY

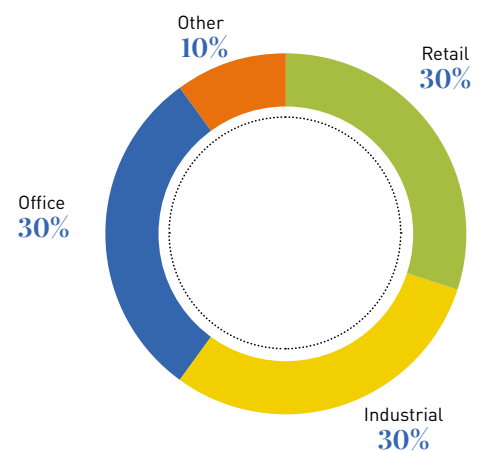


NAV per unit	Net Asset Value of the Trust prepared at the reporting date divided by units in issue
FRS102	Accounting basis on which accounts are prepared
INREV	European Association for Investors in Non-Listed Real Estate Vehicles. Utilising their reporting recommendations certain costs related to vehicle setup and property acquisition are added back to net assets and amortised over a five year period
SEDOL & ISIN numbers	UK and International identifier of The Diversified Property Fund for Charities as an investment security
D&B	Dun & Bradstreet provide data and analysis which is used to determine credit worthiness and relative risk of tenants
p.p.u	Pence per unit
Historic Fund Returns	Calculated over the reference period as the sum of closing NAV per unit less opening NAV per unit plus distributions per unit all divided by opening NAV per unit

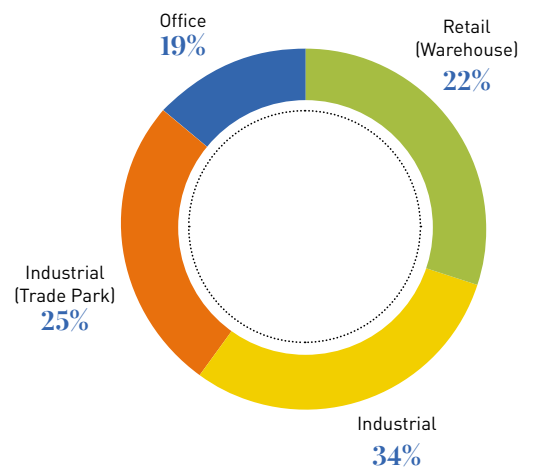
PORTFOLIO ANALYSIS BY SECTOR



TARGET



CURRENT



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